

1 [Administrative Code - Surety Bonds and Bid Securities]

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3 **Ordinance amending the Administrative Code to authorize the Controller to delegate to**
4 **the Risk Manager authority to make certain decisions regarding the amount of surety**
5 **bonds and the sufficiency and qualifications of sureties.**

6 NOTE: Additions are *single-underline italics Times New Roman*;
7 deletions are ~~*strike-through italics Times New Roman*~~.
8 Board amendment additions are double-underlined;
9 Board amendment deletions are ~~strike through normal~~.

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10 Be it ordained by the People of the City and County of San Francisco:

11 Section 1. The San Francisco Administrative Code is hereby amended by amending
12 Sections 21.11 and 21.12, to read as follows:

13 **SEC. 21.11. BID SECURITY.**

14 If required by the Contracting Officer in the Solicitation, an Offer shall be accompanied
15 by a deposit in the form of a certified or cashier's check on a solvent bank, or money order, or
16 bid bond, payable on sight to the City in the amount fixed in the Solicitation, which amount
17 shall not exceed 10 percent of the estimated cost of the Commodities or Services to be
18 furnished. However, any regular or continual offeror may, in lieu of the deposit above
19 mentioned, file a corporate surety bond in an amount to be fixed by the Controller to serve as
20 security for a period of at least one year that the Offeror will enter into the contract, and during
21 the contract period, furnish any required performance bond for any and all contracts awarded
22 to that Offeror, with provision for forfeiture under the surety bond in any case of failure,
23 neglect, or refusal to do so. The Controller may delegate to the Risk Manager the authority to fix
24 the amount of corporate surety bonds for such types of Commodities or Services contracts and in such
25 amounts as the Controller deems appropriate.

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SEC. 21.12. APPROVAL OF SURETIES.

The Controller shall approve the sufficiency of assets and qualifications of all sureties submitting any bond or security which is required under the provisions of Section 21.10 and 21.11 of this Chapter. The Controller may delegate to the Risk Manager the authority to approve the sufficiency of assets and qualifications of sureties for such types or classes of agreements requiring surety or security bonds and in such amounts as the Controller deems appropriate.

Section 2. Effective Date. This ordinance shall become effective 30 days from the date of passage.

Section 3. This section is uncodified. In enacting this Ordinance, the Board intends to amend only those words, phrases, paragraphs, subsections, sections, articles, numbers, punctuation, charts, diagrams, or any other constituent part of the Administrative Code that are explicitly shown in this legislation as additions, deletions, Board amendment additions, and Board amendment deletions in accordance with the "Note" that appears under the official title of the legislation.

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney

By: _____
THOMAS J. OWEN
Deputy City Attorney

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